

AMENDED IN SENATE AUGUST 9, 2012

AMENDED IN SENATE JUNE 13, 2012

AMENDED IN ASSEMBLY MARCH 21, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 174**

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**Introduced by Assembly Member Monning**

January 24, 2011

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An act to add Section ~~12803.2~~ 12803.35 to the Government Code, to add Section 19548.5 to the Revenue and Taxation Code, and to amend Sections 1088.5 and 1095 to the Unemployment Insurance Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

AB 174, as amended, Monning. Office of Systems Integration: California Health and Human Services Automation Fund.

Existing law establishes the Office of Systems Integration and requires that office to implement a statewide automated welfare system for specified public assistance programs.

This bill would establish the California Health and Human Services Automation Fund within the State Treasury and would, upon appropriation by the Legislature, expend specified moneys deposited into the fund for services rendered by the office. Certain funds would only be transferred to the fund upon order of the Department of Finance, as specified.

*Existing law provides that it is a misdemeanor for the Franchise Tax Board or specified state employees to disclose or make known any information in a return, report, or document filed under the Administration of Franchise and Income Tax Laws, but authorizes the*

*franchise Tax Board to disclose this information to specified agencies for specified purposes.*

*This bill would authorize the Franchise Tax Board, upon request by the California Health Benefit Exchange, to disclose to the California Health Benefit Exchange, the State Department of Health Care Services, the Managed Risk Medical Insurance Board, and county departments and agencies, returns or return information to verify or determine eligibility of an individual for Medi-Cal benefits, the Healthy Families Program, the Access for Infants and Mothers Program, health benefits, tax credits, health insurance subsidies, or cost sharing reductions through the exchange.*

*Existing law provides for the payment of unemployment compensation benefits to eligible unemployed individuals, and requires the Employment Development Department to implement and administer the unemployment insurance system in the state. Existing law requires each employer to file with the department a report of wages paid to his or her workers and to furnish to each employee a written statement showing, among other things, the total amount of wages, and total wages subject to personal income tax, as provided. Existing law also requires each employer to file with the department specified information on new employees, and authorizes the use of that information for specified purposes including, among other things, administration of the law regarding unemployment compensation benefits. Existing law provides that a person who knowingly accesses, uses, or discloses confidential information without authorization is guilty of a misdemeanor.*

*This bill would also authorize the Employment Development Department to provide employer or employee information to the State Department of Health Care Services, the California Health Benefit Exchange, the Managed Risk Medical Insurance Board, and county departments and agencies for specified purposes. By expanding the crime of knowingly and wrongfully accessing, using or disclosing specified information, this bill would impose a state-mandated local program.*

*Under existing law, the information obtained in the administration of the Unemployment Insurance Law is for the exclusive use and information of the Director of Employment Development in the discharge of his or her duties and is not open to the public. However, existing law requires the director to permit the use of specified information for specified purposes, and allows the director to require*

*reimbursement for direct costs incurred. Existing law provides that a person who knowingly accesses, uses, or discloses this confidential information without authorization is guilty of a misdemeanor.*

*This bill would require the Director of Employment Development to enable the State Department of Health Care Services, the California Health Benefit Exchange, the Managed Risk Medical Insurance Board, and county departments and agencies to obtain information regarding employee wages, California employer account numbers, employer reports of wages, and number of employees, and disability insurance and unemployment insurance claim information for specified purposes.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section ~~12803.2~~12803.35 is added to the
- 2 Government Code, to read:
- 3 ~~12803.2.~~
- 4 12803.35. (a) There is hereby established in the State Treasury,
- 5 the California Health and Human Services Automation Fund. The
- 6 moneys in the fund shall be available upon appropriation by the
- 7 Legislature for expenditure by the Office of Systems Integration,
- 8 established pursuant to Section 12803.3, for support of that office.
- 9 (b) The fund shall consist of the following:
- 10 (1) All moneys appropriated to the fund in accordance with law.
- 11 (2) The balance of all moneys available for expenditure by the
- 12 Systems Integration Division of the Office of Technology Services.
- 13 (3) An amount of funding transferred from the Department of
- 14 Technology Services Revolving Fund to this fund determined by
- 15 the Department of Finance.
- 16 (4) Funds appropriated to the State Department of Social
- 17 Services in the annual Budget Act for the management, including
- 18 as needed, procurement, design, development, testing,
- 19 implementation, oversight, and maintenance, of the following

1 projects shall be transferred to this fund upon order of the  
2 Department of Finance:

3 (A) Statewide Automated Welfare System (SAWS) including  
4 *Statewide Project Management*, WCDS, C-IV, LEADER, LRS,  
5 and the migration of C-IV to LRS pursuant to Section 10823 of  
6 the Welfare and Institutions Code, as amended by Section 9 of  
7 Chapter 13 of the First Extraordinary Session of the Statutes of  
8 2011.

9 (B) Child Welfare Services/Case Management System  
10 (CWS/CMS).

11 (C) *Child Welfare Services/Case Management System*  
12 *(CWS/CMS) new system project.*

13 ~~(E)~~

14 (D) Electronic Benefit Transfer (EBT).

15 ~~(F)~~

16 (E) Statewide Fingerprinting Imaging System (SFIS).

17 ~~(F)~~

18 (F) Case Management Information Payrolling System (CMIPS)  
19 Reprourement.

20 (G) *Welfare Data Tracking Implementation Project (WDTIP).*

21 (5) (A) Funds appropriated to the Employment Development  
22 Department in the annual Budget Act for the management,  
23 including procurement, design, development, testing,  
24 implementation, oversight, and maintenance, of the Unemployment  
25 Insurance Modernization project shall be transferred to the fund  
26 upon order of the Department of Finance.

27 (B) On or before full expenditure of federal Reed Act funds,  
28 the Department of Finance and the Employment Development  
29 Department shall determine the appropriate timeframe to transfer  
30 the project management and the associated resources for the  
31 Unemployment Insurance Modernization Project to the  
32 Employment Development Department.

33 (6) Funds appropriated to the Department of Health Care  
34 Services and the Managed Risk Medical Insurance Board in the  
35 annual Budget Act for the management, including procurement,  
36 design, development, testing, implementation, oversight, and  
37 maintenance, of the California Healthcare Eligibility, Enrollment,  
38 and Retention System shall be transferred to the fund from the  
39 Department of Finance.

(7) Funds from the California Health Benefit Exchange may be transferred upon order of the Department of Finance pursuant to an interagency agreement between the California Health Benefit Exchange and the Office of Systems Integration to support the California Healthcare Eligibility, Enrollment, and Retention System.

SEC. 2. Section 19548.5 is added to the Revenue and Taxation Code, to read:

19548.5. (a) (1) The Franchise Tax Board, upon request by the California Health Benefit Exchange, may disclose to the California Health Benefit Exchange, the State Department of Health Care Services, the Managed Risk Medical Insurance Board, and county departments and agencies, returns or return information described in paragraph (2) in the records of the Franchise Tax Board, through information sharing agreements or data interfaces, to verify or determine eligibility of an individual for Medi-Cal benefits, the Healthy Families Program, the Access for Infants and Mothers Program, health benefits, tax credits, health insurance subsidies, or cost sharing reductions through the Exchange.

(2) The returns and return information that may be disclosed to the California Health Benefit Exchange pursuant to this section is limited to the following:

(A) Information necessary to validate or make the eligibility determination, including wages, withholdings, identifying information, and credits.

(B) The demographic information of any taxpayer.

(C) Tax refund information of any taxpayer.

(3) In addition to the penalties under this article for unauthorized use or disclosure of the information disclosed pursuant to this section by any deputy, agent, clerk, officer, or employee of any agency receiving information pursuant to this section, any information received from the Franchise Tax Board as a result of this section shall be subject to the information sharing and confidentiality requirements in paragraph (8) of subdivision (a) Section 100504 of the Government Code.

(b) This section shall not be construed to supersede the requirements and protections in the California Right to Financial Privacy Act under Chapter 20 (commencing with Section 7460)

1 of Division 7 of Title 1 of the Government Code in obtaining  
2 information in possession of any financial institution.

3 (c) The Franchise Tax Board may require reimbursement for  
4 costs incurred in providing information specified in this Section.

5 SEC. 3. Section 1088.5 of the Unemployment Insurance Code  
6 is amended to read:

7 1088.5. (a) In addition to information reported in accordance  
8 with Section 1088, effective July 1, 1998, each employer shall file,  
9 with the department, the information provided for in subdivision  
10 (b) on new employees.

11 (b) Each employer shall report the hiring of any employee who  
12 works in this state and to whom the employer anticipates paying  
13 wages.

14 (c) (1) This section shall not apply to any department, agency,  
15 or instrumentality of the United States.

16 (2) State agency employers shall not be required to report  
17 employees performing intelligence or counterintelligence functions,  
18 if the head of the agency has determined that reporting pursuant  
19 to this section would endanger the safety of the employee or  
20 compromise an ongoing investigation or intelligence mission.

21 (d) (1) Employers shall submit a report as described in  
22 paragraph (4) within 20 days of hiring any employee whom the  
23 employer is required to report pursuant to this section.

24 (2) Notwithstanding subdivision (a), employers transmitting  
25 reports magnetically or electronically shall submit the report by  
26 two monthly transmissions not less than 12 days and not more  
27 than 16 days apart.

28 (3) For purposes of this section, an employer that has employees  
29 in two or more states and that transmits reports magnetically or  
30 electronically may designate one state in which the employer has  
31 employees to which the employer will transmit the report described  
32 in paragraph (4). Any employer that transmits reports pursuant to  
33 this paragraph shall notify the Secretary of Health and Human  
34 Services in writing as to which state the employer designates for  
35 the purpose of sending reports.

36 (4) The report shall contain the following:

37 (A) The name, address, and social security number of the  
38 employees.

39 (B) The employer's name, address, state employer identification  
40 number (if one has been issued), and identifying number assigned

1 to the employer under Section 6109 of the Internal Revenue Code  
2 of 1986.

3 (C) The first date the employee worked.

4 (5) Employers may report pursuant to this section by submitting  
5 a copy of the employee's W-4 form, a form provided by the  
6 department, or any other hiring document transmitted by first-class  
7 mail, magnetically, or electronically.

8 (e) For each failure to report the hiring of an employee, as  
9 required and within the time required by this section, unless the  
10 failure is due to good cause, the department may assess a penalty  
11 of twenty-four dollars (\$24), or four hundred ninety dollars (\$490)  
12 if the failure is the result of conspiracy between the employer and  
13 employee not to supply the required report or to supply a false or  
14 incomplete report.

15 (f) Information collected pursuant to this section may be used  
16 for the following purposes:

17 (1) Administration of this code.

18 (2) Locating individuals for purposes of establishing paternity  
19 and establishing, modifying, and enforcing child support  
20 obligations.

21 (3) Administration of employment security and workers'  
22 compensation programs.

23 (4) Providing employer or employee information to the  
24 Franchise Tax Board and the State Board of Equalization for the  
25 purpose of tax or fee enforcement.

26 (5) Verification of eligibility of applicants for, or recipients of,  
27 the public assistance programs listed in Section 1320b-7(b) of Title  
28 42 of the United States Code.

29 (6) *Providing employer or employee information to the State*  
30 *Department of Health Care Services, the California Health Benefit*  
31 *Exchange, the Managed Risk Medical Insurance Board, and county*  
32 *departments and agencies for the purpose of:*

33 (A) *Verifying or determining the eligibility of an applicant for,*  
34 *or a recipient of, state health subsidy programs, limited to the*  
35 *Medi-Cal program, provided pursuant to Chapter 7 (commencing*  
36 *with Section 14000) of Part 3 of Division 9 of the Welfare and*  
37 *Institutions Code, the Healthy Families Program, provided*  
38 *pursuant to Part 6.2 (commencing with Section 12693) of Division*  
39 *2 of the Insurance Code, and the Access for Infants and Mothers*  
40 *Program, provided pursuant to Part 6.3 (commencing with Section*

1 12695 of Division 2 of the Insurance Code, where the verification  
2 or determination is directly connected with, and limited to, the  
3 administration of the state health subsidy programs referenced in  
4 this subparagraph.

5 (B) Verifying or determining the eligibility of an applicant for;  
6 or a recipient of, federal subsidies offered through the California  
7 Health Benefit Exchange, provided pursuant to Title 22  
8 (commencing with Section 100500) of the Government Code,  
9 including federal tax credits and cost-sharing assistance pursuant  
10 to the federal Patient Protection and Affordable Care Act, (Public  
11 Law 111-148), as amended by the federal Health Care and  
12 Education Reconciliation Act of 2010 (Public Law 111-152), where  
13 the verification or determination is directly connected with, and  
14 limited to, the administration of the California Health Benefit  
15 Exchange.

16 (C) Verifying or determining the eligibility of employees and  
17 employers for health coverage through the Small Business Health  
18 Options Program, provided pursuant to Section 100502 of the  
19 Government Code, where the verification or determination is  
20 directly connected with, and limited to the administration of the  
21 Small Business Health Options Program.

22 (g) For purposes of this section, “employer” includes a labor  
23 union hiring hall.

24 (h) This section shall become operative on July 1, 1998.

25 SEC. 4. Section 1095 of the Unemployment Insurance Code is  
26 amended to read:

27 1095. The director shall permit the use of any information in  
28 his or her possession to the extent necessary for any of the  
29 following purposes and may require reimbursement for all direct  
30 costs incurred in providing any and all information specified in  
31 this section, except information specified in subdivisions (a) to  
32 (e), inclusive:

33 (a) To enable the director or his or her representative to carry  
34 out his or her responsibilities under this code.

35 (b) To properly present a claim for benefits.

36 (c) To acquaint a worker or his or her authorized agent with his  
37 or her existing or prospective right to benefits.

38 (d) To furnish an employer or his or her authorized agent with  
39 information to enable him or her to fully discharge his or her



1 obligations or safeguard his or her rights under this division or  
2 Division 3 (commencing with Section 9000).

3 (e) To enable an employer to receive a reduction in contribution  
4 rate.

5 (f) To enable federal, state, or local government departments  
6 or agencies, subject to federal law, to verify or determine the  
7 eligibility or entitlement of an applicant for, or a recipient of, public  
8 social services provided pursuant to Division 9 (commencing with  
9 Section 10000) of the Welfare and Institutions Code, or Part A of  
10 Title IV of the Social Security Act, where the verification or  
11 determination is directly connected with, and limited to, the  
12 administration of public social services.

13 (g) To enable county administrators of general relief or  
14 assistance, or their representatives, to determine entitlement to  
15 locally provided general relief or assistance, where the  
16 determination is directly connected with, and limited to, the  
17 administration of general relief or assistance.

18 (h) To enable state or local governmental departments or  
19 agencies to seek criminal, civil, or administrative remedies in  
20 connection with the unlawful application for, or receipt of, relief  
21 provided under Division 9 (commencing with Section 10000) of  
22 the Welfare and Institutions Code or to enable the collection of  
23 expenditures for medical assistance services pursuant to Part 5  
24 (commencing with Section 17000) of Division 9 of the Welfare  
25 and Institutions Code.

26 (i) To provide any law enforcement agency with the name,  
27 address, telephone number, birth date, social security number,  
28 physical description, and names and addresses of present and past  
29 employers, of any victim, suspect, missing person, potential  
30 witness, or person for whom a felony arrest warrant has been  
31 issued, when a request for this information is made by any  
32 investigator or peace officer as defined by Sections 830.1 and  
33 830.2 of the Penal Code, or by any federal law enforcement officer  
34 to whom the Attorney General has delegated authority to enforce  
35 federal search warrants, as defined under Sections 60.2 and 60.3  
36 of Title 28 of the Code of Federal Regulations, as amended, and  
37 when the requesting officer has been designated by the head of  
38 the law enforcement agency and requests this information in the  
39 course of and as a part of an investigation into the commission of  
40 a crime when there is a reasonable suspicion that the crime is a

1 felony and that the information would lead to relevant evidence.  
2 The information provided pursuant to this subdivision shall be  
3 provided to the extent permitted by federal law and regulations,  
4 and to the extent the information is available and accessible within  
5 the constraints and configurations of existing department records.  
6 Any person who receives any information under this subdivision  
7 shall make a written report of the information to the law  
8 enforcement agency that employs him or her, for filing under the  
9 normal procedures of that agency.

10 (1) This subdivision shall not be construed to authorize the  
11 release to any law enforcement agency of a general list identifying  
12 individuals applying for or receiving benefits.

13 (2) The department shall maintain records pursuant to this  
14 subdivision only for periods required under regulations or statutes  
15 enacted for the administration of its programs.

16 (3) This subdivision shall not be construed as limiting the  
17 information provided to law enforcement agencies to that pertaining  
18 only to applicants for, or recipients of, benefits.

19 (4) The department shall notify all applicants for benefits that  
20 release of confidential information from their records will not be  
21 protected should there be a felony arrest warrant issued against  
22 the applicant or in the event of an investigation by a law  
23 enforcement agency into the commission of a felony.

24 (j) To provide public employee retirement systems in California  
25 with information relating to the earnings of any person who has  
26 applied for or is receiving a disability income, disability allowance,  
27 or disability retirement allowance, from a public employee  
28 retirement system. The earnings information shall be released only  
29 upon written request from the governing board specifying that the  
30 person has applied for or is receiving a disability allowance or  
31 disability retirement allowance from its retirement system. The  
32 request may be made by the chief executive officer of the system  
33 or by an employee of the system so authorized and identified by  
34 name and title by the chief executive officer in writing.

35 (k) To enable the Division of Labor Standards Enforcement in  
36 the Department of Industrial Relations to seek criminal, civil, or  
37 administrative remedies in connection with the failure to pay, or  
38 the unlawful payment of, wages pursuant to Chapter 1  
39 (commencing with Section 200) of Part 1 of Division 2 of, and

Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of, the Labor Code.

(l) To enable federal, state, or local governmental departments or agencies to administer child support enforcement programs under Title IV of the Social Security Act (42 U.S.C. Sec. 651 et seq.).

(m) To provide federal, state, or local governmental departments or agencies with wage and claim information in its possession that will assist those departments and agencies in the administration of the Victims of Crime Program or in the location of victims of crime who, by state mandate or court order, are entitled to restitution that has been or can be recovered.

(n) To provide federal, state, or local governmental departments or agencies with information concerning any individuals who are or have been:

(1) Directed by state mandate or court order to pay restitution, fines, penalties, assessments, or fees as a result of a violation of law.

(2) Delinquent or in default on guaranteed student loans or who owe repayment of funds received through other financial assistance programs administered by those agencies. The information released by the director for the purposes of this paragraph shall not include unemployment insurance benefit information.

(o) To provide an authorized governmental agency with any or all relevant information that relates to any specific workers' compensation insurance fraud investigation. The information shall be provided to the extent permitted by federal law and regulations. For the purposes of this subdivision, "authorized governmental agency" means the district attorney of any county, the office of the Attorney General, the Department of Industrial Relations, and the Department of Insurance. An authorized governmental agency may disclose this information to the State Bar, the Medical Board of California, or any other licensing board or department whose licensee is the subject of a workers' compensation insurance fraud investigation. This subdivision shall not prevent any authorized governmental agency from reporting to any board or department the suspected misconduct of any licensee of that body.

(p) To enable the Director of the Bureau for Private Postsecondary and Vocational Education, or his or her representatives, to access unemployment insurance quarterly wage

1 data on a case-by-case basis to verify information on school  
2 administrators, school staff, and students provided by those schools  
3 who are being investigated for possible violations of Chapter 7  
4 (commencing with Section 94700) of Part 59 of the Education  
5 Code.

6 (q) To provide employment tax information to the tax officials  
7 of Mexico, if a reciprocal agreement exists. For purposes of this  
8 subdivision, “reciprocal agreement” means a formal agreement to  
9 exchange information between national taxing officials of Mexico  
10 and taxing authorities of the State Board of Equalization, the  
11 Franchise Tax Board, and the Employment Development  
12 Department. Furthermore, the reciprocal agreement shall be limited  
13 to the exchange of information that is essential for tax  
14 administration purposes only. Taxing authorities of the State of  
15 California shall be granted tax information only on California  
16 residents. Taxing authorities of Mexico shall be granted tax  
17 information only on Mexican nationals.

18 (r) To enable city and county planning agencies to develop  
19 economic forecasts for planning purposes. The information shall  
20 be limited to businesses within the jurisdiction of the city or county  
21 whose planning agency is requesting the information, and shall  
22 not include information regarding individual employees.

23 (s) To provide the State Department of Developmental Services  
24 with wage and employer information that will assist in the  
25 collection of moneys owed by the recipient, parent, or any other  
26 legally liable individual for services and supports provided pursuant  
27 to Chapter 9 (commencing with Section 4775) of Division 4.5 of,  
28 and Chapter 2 (commencing with Section 7200) and Chapter 3  
29 (commencing with Section 7500) of Division 7 of, the Welfare  
30 and Institutions Code.

31 (t) To provide the State Board of Equalization with employment  
32 tax information that will assist in the administration of tax  
33 programs. The information shall be limited to the exchange of  
34 employment tax information essential for tax administration  
35 purposes to the extent permitted by federal law and regulations.

36 (u) Nothing in this section shall be construed to authorize or  
37 permit the use of information obtained in the administration of this  
38 code by any private collection agency.

39 (v) The disclosure of the name and address of an individual or  
40 business entity that was issued an assessment that included

1 penalties under Section 1128 or 1128.1 shall not be in violation  
2 of Section 1094 if the assessment is final. The disclosure may also  
3 include any of the following:

4 (1) The total amount of the assessment.

5 (2) The amount of the penalty imposed under Section 1128 or  
6 1128.1 that is included in the assessment.

7 (3) The facts that resulted in the charging of the penalty under  
8 Section 1128 or 1128.1.

9 (w) To enable the Contractors' State License Board to verify  
10 the employment history of an individual applying for licensure  
11 pursuant to Section 7068 of the Business and Professions Code.

12 (x) To provide any peace officer with the Division of  
13 Investigation in the Department of Consumer Affairs information  
14 pursuant to subdivision (i) when the requesting peace officer has  
15 been designated by the Chief of the Division of Investigation and  
16 requests this information in the course of and as part of an  
17 investigation into the commission of a crime or other unlawful act  
18 when there is reasonable suspicion to believe that the crime or act  
19 may be connected to the information requested and would lead to  
20 relevant information regarding the crime or unlawful act.

21 (y) To enable the Labor Commissioner of the Division of Labor  
22 Standards Enforcement in the Department of Industrial Relations  
23 to identify, pursuant to Section 90.3 of the Labor Code, unlawfully  
24 uninsured employers. The information shall be provided to the  
25 extent permitted by federal law and regulations.

26 (z) To enable the Chancellor of the California Community  
27 Colleges, in accordance with the requirements of Section 84754.5  
28 of the Education Code, to obtain quarterly wage data, commencing  
29 January 1, 1993, on students who have attended one or more  
30 community colleges, to assess the impact of education on the  
31 employment and earnings of students, to conduct the annual  
32 evaluation of district-level and individual college performance in  
33 achieving priority educational outcomes, and to submit the required  
34 reports to the Legislature and the Governor. The information shall  
35 be provided to the extent permitted by federal statutes and  
36 regulations.

37 (aa) To enable the Public Employees' Retirement System to  
38 seek criminal, civil, or administrative remedies in connection with  
39 the unlawful application for, or receipt of, benefits provided under

1 Part 3 (commencing with Section 20000) of Division 5 of Title 2  
2 of the Government Code.

3 (ab) To enable the State Department of Education, the University  
4 of California, the California State University, and the Chancellor  
5 of the California Community Colleges, pursuant to the  
6 requirements prescribed by the federal American Recovery and  
7 Reinvestment Act of 2009 (Public Law 111-5), to obtain quarterly  
8 wage data, commencing July 1, 2010, on students who have  
9 attended their respective systems to assess the impact of education  
10 on the employment and earnings of those students, to conduct the  
11 annual analysis of district-level and individual district or  
12 postsecondary education system performance in achieving priority  
13 educational outcomes, and to submit the required reports to the  
14 Legislature and the Governor. The information shall be provided  
15 to the extent permitted by federal statutes and regulations.

16 (ac) (1) *To enable the State Department of Health Care*  
17 *Services, the California Health Benefit Exchange, the Managed*  
18 *Risk Medical Insurance Board, and county departments and*  
19 *agencies to obtain information regarding employee wages,*  
20 *California employer names and account numbers, employer reports*  
21 *of wages, and number of employees, and disability insurance and*  
22 *unemployment insurance claim information, for the purpose of:*

23 (A) *Verifying or determining the eligibility of an applicant for,*  
24 *or a recipient of, state health subsidy programs, limited to the*  
25 *Medi-Cal Program, provided pursuant to Chapter 7 (commencing*  
26 *with Section 14000) of Part 3 of Division 9 of the Welfare and*  
27 *Institutions Code, the Healthy Families Program, provided*  
28 *pursuant to Part 6.2 (commencing with Section 12693) of Division*  
29 *2 of the Insurance Code, and the Access for Infants and Mothers*  
30 *Program, provided pursuant to Part 6.3 (commencing with Section*  
31 *12695) of Division 2 of the Insurance Code, where the verification*  
32 *or determination is directly connected with, and limited to, the*  
33 *administration of the state health subsidy programs referenced in*  
34 *this subparagraph.*

35 (B) *Verifying or determining the eligibility of an applicant for,*  
36 *or a recipient of, federal subsidies offered through the California*  
37 *Health Benefit Exchange, provided pursuant to Title 22*  
38 *(commencing with Section 100500) of the Government Code,*  
39 *including federal tax credits and cost-sharing assistance pursuant*  
40 *to the federal Patient Protection and Affordable Care Act, pursuant*

1 *to (Public Law 111-148), as amended by the federal Health Care*  
2 *and Education Reconciliation Act of 2010 (Public Law 111-152),*  
3 *where the verification or determination is directly connected with,*  
4 *and limited to, the administration of the California Health Benefit*  
5 *Exchange.*

6 *(C) Verifying or determining the eligibility of employees and*  
7 *employers for health coverage through the Small Business Health*  
8 *Options Program, provided pursuant to Section 100502 of the*  
9 *Government Code, where the verification or determination is*  
10 *directly connected with, and limited to the administration of the*  
11 *Small Business Health Options Program.*

12 *(2) The information provided under this subdivision shall be*  
13 *subject to the requirements of, and provided to the extent permitted*  
14 *by, federal law and regulations, including Part 603 of Title 20 of*  
15 *the Code of Federal Regulations.*

16 *SEC. 5. No reimbursement is required by this act pursuant to*  
17 *Section 6 of Article XIII B of the California Constitution because*  
18 *the only costs that may be incurred by a local agency or school*  
19 *district will be incurred because this act creates a new crime or*  
20 *infraction, eliminates a crime or infraction, or changes the penalty*  
21 *for a crime or infraction, within the meaning of Section 17556 of*  
22 *the Government Code, or changes the definition of a crime within*  
23 *the meaning of Section 6 of Article XIII B of the California*  
24 *Constitution.*